

Paying Vacation and Sick Pay in Payroll Mate Video Transcript

This software can accommodate setting up employees to receive Vacation and Sick pay.

Before we explore how to pay vacation and sick pay, we'll look at how to set the employee up to receive this benefit.

Click on "Employees"

Select an employee

...and click on Edit.

This will open the Modify Employee Wizard.

Then click "Next" until you come to the "Vacation / Sick Hours Settings" panel.

Select whether the accrual of hours will be per paycheck or per hours on the paycheck.

Then input the number of hours earned (or fraction of hours earned) per check or per hours on the check.

...and input the maximum number of vacation or sick hours that the employee is permitted to accumulate per year.

If these fields are left blank the accumulated hours will be unlimited.

If set to 0.00, then no hours will be applied to this employee.

Then click "Next" until you come to the "Finish" panel.

...and click "Finish"

Here we modified an existing employee. The process to add this benefit to a new employee is exactly the same.

We set up this employee's Vacation and Sick hours to accrue per check so when they are paid...

You can see that Vacation and Sick hours have been added.

Alternatively, we can select to accrue Vacation and Sick hours per total hours on the check.

The process to input the number of hours earned (or fraction of hours earned)

...and the maximum number of vacation or sick hours that the employee is permitted to accumulate per year, is the same.

When you pay an hourly employee, who receives Vacation and Sick hours per total hours on the check, there will be no earned hours listed initially.

However, when you add the hours being paid for this check, you'll notice that the Vacation and Sick hours earned will calculate accordingly.

...and overtime hours are calculated as well.

When you pay a salary employee who receives Vacation and Sick hours per hours on the check, just as with the hourly employee, there are no earned hours shown.

As a Salary employee, unlike an Hourly employee, there are no hours placed on this check in the "Quantity" column for the software to use to calculate the "Per hours on the check" amount.

For this employee, we can enter the number of applicable hours worked in the "Other Options Details" section.

...and this will allow the vacation and sick hours earned to populate.

If you need to apply Vacation and Sick hours to an employee who is not set up to receive them, or if you need to override an employee's earned Vacation or Sick hours.

You can do so manually in the Vacation / Sick Hours section of the Check Details panel.

Paying Vacation and Sick pay

There are two ways to manage Vacation and Sick pay for employees in Payroll Mate.

We'll cover both in this video.

Adding Vacation and Sick pay directly to regular pay.

Start by opening an employee in the Check Details panel.

To do this...

Click on "Employees"

Select an employee

...and click on Pay.

This will open the "Check Details" panel.

The easiest method to manage Vacation and Sick pay is to simply include it in the regular pay...

...and track the hours used in the Vacation / Sick Hours section.

This is particularly easy with an hourly employee because the vacation or sick hours can simply be added to the regular hourly pay (assuming the hourly rate is the same for both).

And then just update the hours used accordingly.

When paying Vacation or Sick pay for a Salary employee in this way, if the check will be for a full pay period, just create the check normally...

and adjust the Vacation or Sick hours used.

However, if the check will not be for a full pay period you will need to calculate the salary to reflect the number of hours being paid...

then adjust the Vacation or Sick hours accordingly.

Notice that the withholding amounts have automatically recalculated.

Vacation and Sick pay as an Income Category

Again...Click on "Employees"

Select an employee

...and click on Pay.

In this case, we see Vacation Pay Hourly and Sick Pay Hourly as incomes.

To do this...

Click on "Employees"

Select an employee

...and click on Edit.

This will open the Modify Employee Wizard.

Click "Next" until you come to the "Incomes" panel.

Check the "Vacation Pay Hourly" Category

...and input an hourly rate.

Check the "Sick Pay Hourly" Category

...input an hourly rate here, as well.

Then click "Next" until you come to the "Finish" panel.

...and click "Finish"

When you pay this employee...

You'll see Vacation Pay Hourly, and Sick Pay Hourly as incomes.

Just as you can add hours to the regular hourly pay, you can also add vacation and sick hours.

When you do...notice that the Vacation and Sick hours used will automatically adjust.

This process can be performed similarly for a Salary employee.

Vacation and Sick hours can be added as an income.

...and the Vacation and Sick hours used will automatically update.

When doing this with a Salary employee, make sure to override the regular salary for this check.

Note, that when you use Vacation Pay hourly and sick pay hourly as incomes on the check, they will appear as line items on all check stubs for this employee whether you populate the quantity or leave it as zero.

If left at zero, they will have no effect on the check.

This applies to both salary and hourly employees.

**You can apply Vacation and Sick Pay
to any employees using these steps.**

Thank you for trusting Payroll Mate!